



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 45 (ending 06/11/2015)

“Courage is being scared to death, but saddling up anyway.” – John Wayne

EU Commission says Irish economy to grow at fastest rate in European Union – In its Winter Economic Forecast, the European Commission predicts that gross domestic product (GDP) across Europe will grow by 4.5% in 2016 before slowing to 3.5% in 2017 but forecasted Irish growth will be the highest in 2016 at 6%.

Irish household debt at lowest since Q1 2006 – According to the report from the Central Bank, household debt fell to its lowest level in Quarter 2 this year since the first quarter of 2006. The level of household debt has fallen by 24.8% since its peak in 2008 but is still the highest in the EU apart from Denmark and Holland.

Greek parliament approves reform bill – Greece's parliament approved a bill with reforms prescribed by the country's international lenders, ahead of the euro zone finance ministers meeting which will decide on fresh bailout funds of up to €86 billion. The reforms include changes to pensions and scraps tax breaks for farmers.

U.S. jobs growth surprises markets – The Bureau of Labor Statistics reported the strongest rate of job creation so far this year, as payrolls expanded by 271,000 in October and wages rose the most in more than six years. The unemployment rate dropped to half the level it reached during the worst days of the recession.

BOE Chief lukewarm on early U.K. rise in interest rates – The Bank of England Governor, Mark Carney, made no move towards an early interest rate rise, saying Britain's near-zero inflation would pick up only slowly, even if rates stay on hold throughout next year. He said the BOE would move when the time was right.

China IPO resumption as stock market stabilises – China Securities Regulatory Commission (CSRC) announced it would allow the resumption of initial public offerings in China. This lifts a suspension put into effect in July amid the devastating stock market crash. The Chinese stock market is up 20% from its low point.

The Story of the week: The World Cup-winning New Zealand rugby team returned home to a heroes' welcome with Auckland's airport staff performing the haka in homage to them. The team was treated to a rendition of the Maori war dance by ground crews wearing hi-vis jackets. Inside the airport 4,000 fans packed the arrivals hall to greet them.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2010	2011	2012	2013	2014	2015 YTD (to 06/11)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	29.8
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	0.0
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	12.7
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	3.8
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	8.7
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	10.4
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-3.1
MSCI World	7.8	-7.6	13.1	26.2	7.7	2.8
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.4
German	3.0	1.8	1.4	1.9	0.5	0.7
UK	3.4	2.0	1.9	3.0	1.9	2.1
Japan	1.1	1.0	0.7	0.7	0.3	0.3
Ireland	9.1	8.4	4.5	3.4	1.3	1.2
Italy	4.8	7.1	4.6	4.1	2.1	1.8
Greece	12.5	31.7	12.7	8.2	9.6	7.5
Portugal	6.6	13.4	6.9	6.1	2.7	2.7
Spain	5.5	5.1	5.4	4.1	1.6	2.0
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.08
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.71
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.51
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	10.9 (Q 2)
UK	14.5	8.1	2.7	10.7	17.8	6.5 (Q 2)
US	14.8	14.5	5.3	11.4	11.2	7.2 (Q 2)

*Past performance is not a reliable guide to future performance